

Housing Finance Agency

www.dchfa.org

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	\$5,797,461	\$6,088,786	5.0

The mission of the Housing Finance Agency (HFA) is to stimulate and expand homeownership and rental housing opportunities for low and moderate income families in the District of Columbia.

HFA was established in 1979 as a corporate body separate from the government of the District. The HFA issues tax-exempt mortgage revenue bonds to lower the costs of financing single-family housing and the costs of acquiring, constructing, and rehabilitating rental housing. In addition, the HFA issues taxable bonds and 4 percent low income housing tax credits.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Solidify the HFA's investment niche by working closely and cooperatively with District residents, stakeholders, the Mayor, D.C. Council, and government agencies to determine how the HFA can most effectively use

its resources to help leverage other available District funding for neighborhood development.

- Finance those development projects within HFA's investment niche to preserve, rehabilitate and produce affordable housing for at-risk and very low to middle income buyers.
- Ensure that HFA expands its creative financing products.
- Build greater capacity to assist our housing partners by enhancing our arsenal of affordable housing resources.

Did you know...

Telephone	202-777-1600
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Free Home buying workshops are conducted every Wednesday at 10:00am and Fridays at 11:30am in the Home Resource Center at HFA headquarters.

Where the Money Comes From

Table HF0-1 shows the sources of funding for the Housing Finance Agency.

Table HF0-1

FY 2004 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change From FY 2003	Percent Change
Special Purpose Revenue Fund	0	0	5,797	6,089	291	5.0
Total for General Fund	0	0	5,797	6,089	291	5.0
Gross Funds	0	0	5,797	6,089	291	5.0

How the Money is Allocated

Table HF0-2 shows the FY 2004 proposed budget for the agency at the Comptroller Source Group level (Object Class level) and FTEs by fund type.

Table HF0-2

FY 2004 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2001	Actual FY 2002	Approved FY 2003	Proposed FY 2004	Change from FY 2003	Percent Change
11 Regular Pay - Cont Full Time	0	0	3,162	3,214	52	1.6
12 Regular Pay - Other	0	0	113	102	-11	-10.0
13 Additional Gross Pay	0	0	156	65	-91	-58.2
14 Fringe Benefits - Curr Personnel	0	0	591	996	404	68.4
15 Overtime Pay	0	0	24	26	2	8.3
Subtotal Personal Services (PS)	0	0	4,048	4,403	356	8.8
20 Supplies And Materials	0	0	90	87	-3	-3.7
30 Energy, Comm. And Bldg Rentals	0	0	86	73	-13	-15.5
31 Telephone, Telegraph, Telegram, Etc	0	0	35	38	3	8.1
33 Janitorial Services	0	0	61	44	-17	-27.2
34 Security Services	0	0	36	2	-34	-93.3
40 Other Services And Charges	0	0	626	679	53	8.4
41 Contractual Services - Other	0	0	68	135	67	98.0
70 Equipment & Equipment Rental	0	0	360	231	-129	-36.0
80 Debt Service	0	0	386	396	9	2.4
Subtotal Nonpersonal Services (NPS)	0	0	1,750	1,685	-64	-3.7
Total Proposed Operating Budget	0	0	5,797	6,089	291	5.0

Note 1 - As of FY 2002, this agency was required to present its budget under the Budget Support Act. As a result, FY 2001 data is not available.

Note 2 - The agency presents its budgeted revenues and expenditures for the purpose of reporting. However, as a proprietary fund, under the current financial accounting structure, the agency's actual revenues and expenditures are not tracked in the District's System of Accounting and Reporting (SOAR) and may not be shown in this chart or in the Comprehensive Annual Financial Report (CAFR).

Gross Funds

The proposed budget is \$6,088,786, representing an increase of 5.0 percent over the approved FY 2003 budget of \$5,797,461. There are 52 FTEs for the agency, representing no change from FY 2003. HFA employees do not come under the District's merit personnel system, and therefore are not reflected in the FTE authority.

General Fund

Special Purpose Revenue Funds. The proposed budget is \$6,088,786, an increase of \$291,325 over the FY 2003 approved budget of

\$5,797,461.

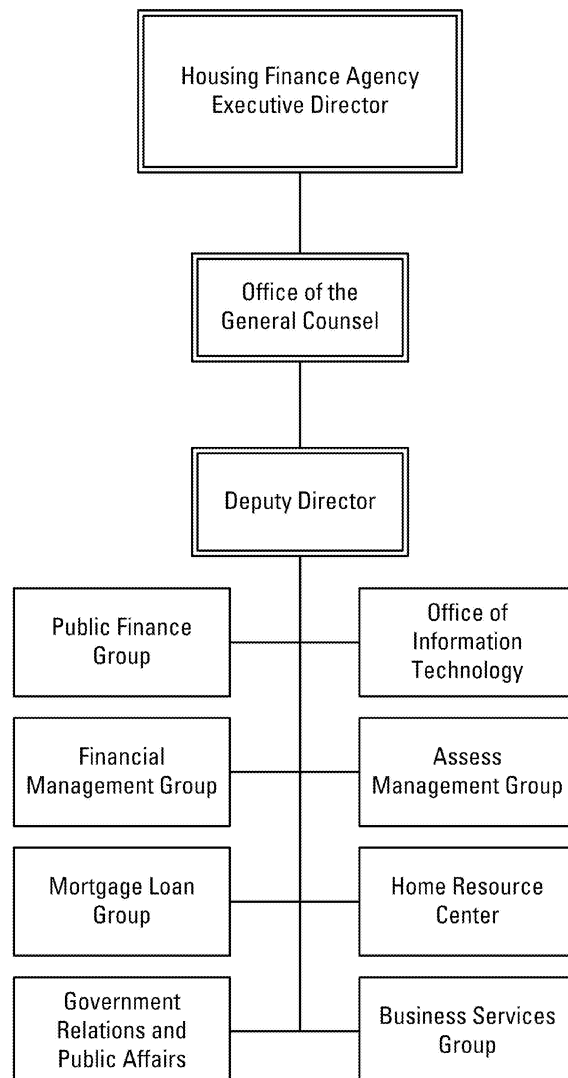
There are 52 FTEs funded by Special Purpose sources, representing no change from FY 2003.

Change from the FY 2003 Approved Budget is:

- An increase of \$291,325 in personal services in anticipation of penalties assessed by the Federal Internal Revenue Service for non-payment of Social Security and Medicare at the inception of HFA.

Figure HF0-1

Housing Finance Agency



Programs

The Housing Finance Agency offers below market financing for first-time homebuyers, current homeowners, and multi-family developers by issuing tax-exempt mortgage revenue bonds to lower the cost of financing multi-family developments and single-family homeownership. To that end, HFA is committed to the following programs:

Multi-Family Development

The HFA provides tax-exempt and taxable multi-family rental and co-op bond financing and tax credits. The HFA financed more than 1,600 units of affordable housing through loans, tax-exempt bonds and tax credits in FY 2001. The HFA issued \$84 million in tax-exempt bonds for development projects totaling \$148 million. The HFA FY 2002 project pipeline now totals more than 25 projects, including approximately 3,495 units.

In FY 2001, the total amount of bonds issued increased approximately 16 percent. The HFA also issues taxable bonds to preserve its bond cap, blending the low income tax credit to attract equity capital. The HFA currently has two funding rounds with deadlines of April 30, 2002, and October 30, 2002 to receive multi-family project applications.

In the first quarter of FY 2002, the agency issued \$56 million in tax-exempt and taxable bonds, and the HFA's Board of Directors has already issued preliminary approval for \$24.4 million in affordable housing projects. The Housing Finance Authority hopes to surpass this number in FY 2003.

Single Family Development

In FY 2003, the HFA expects to provide low cost mortgage funding to approximately 500 District homebuyers through its low rate and assisted rate Single Family Mortgage Program (which includes down-payment and closing cost assistance). Through its Home Resource Center, the HFA provides home-buying education and financial/credit counseling to approximately 3,000 people. Information is available on financing options, city and government home-

buying assistance and incentives like the \$5,000 tax credit, tax abatements, as well as the Home Purchase Assistance Program (HPAP), provided by the Department of Housing and Community Development, to assist with closing costs.

Agency Goals and Performance Measures

Goal 1: Stimulate and expand homeownership and rental housing opportunities for low- and moderate-income families in Washington, D.C.

Citywide Strategic Priority Area(s): Building Sustainable Neighborhoods

Manager(s): Ken Stewart, Director of Public Finance

Supervisor(s): Milton J. Bailey, Executive Director

Measure 1.1: Add new rental units to the District's housing stock

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	1,500	2,798	2,644	2,500	-
Actual	1,688	1,727	-	-	-

Note: For FY 2002, 1,014 of these rental units will be new construction or substantial rehabilitation of vacant units. DCHFA increased the FY 2003 target from 2,615 to 2,644 units (12/27/02). The measure title published in the FY 2003 budget was a typographical error. The above title may be further revised in the FY 2004 budget. (01/14/03)

Measure 1.2: Add new (new construction and vacant) units to the District's housing stock

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	600	1081	361	800	-
Actual	680	611	-	-	-

Measure 1.3: Percentage of multi-family units occupied by District residents whose incomes are 50% of the AMI

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	55	60	60	65	-
Actual	60	63	-	-	-

Measure 1.4: Number of single-family and individual home purchases financed

	Fiscal Year				
	2001	2002	2003	2004	2005
Target	500	500	299	-	-
Actual	504	187	-	-	-

Note: DCHFA reduced the FY 2003 target from 550 to 299 (12/27/02).